United Nations A/54/711

General Assembly

Distr.: General
17 January 2000

Original: English

Fifty-fourth session
Agenda item 151 (a)
Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operations

Financing of the United Nations Logistics Base at Brindisi

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 1998 to 30 June 1999. The General Assembly, by its resolution 52/1 B of 26 June 1998, approved the cost estimates of $7,141,800 for the financing of the Logistics Base for the same period. This amount includes $829,900 for the completion of two start-up kits.

By the same resolution the General Assembly decided to apply the unencumbered balance of $2,025,800 for the period from 1 July 1996 to 30 June 1997 to the resources required for the period from 1 July 1998 to 30 June 1999 and to prorate the balance of $5,116,000 among the approved appropriations of the individual active peacekeeping operation budgets to meet the financing requirements of the Logistics Base for the period from 1 July 1998 to 30 June 1999. These amounts are reflected in the respective performance reports.

Expenditures for the period totalled $6,690,000, resulting in an unencumbered balance of $451,800. The unencumbered balance resulted mainly from vacancies among the international staff and reduced requirements under transport and other programmes, offset by additional requirements for other equipment.

The action to be taken by the General Assembly in connection with the financing of the Logistics Base is set out in paragraph 14 of the present report.

00-24729 (E) 040200

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I. Introduction

1. The budget for the financing of the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 1998 to 30 June 1999 was set out in the report of the Secretary-General dated 27 March 1998 (A/52/858) and amounted to $7,141,800, which consisted of a maintenance budget of $6,311,900 and provision in the amount of $829,900 for equipment to complete two start-up kits. It provided for a civilian establishment of 20 international staff (10 Professional and 10 Field Service) and 28 locally recruited staff. It also provided for 660 person-months under general temporary assistance, alteration and maintenance of premises, spare parts for various types of equipment, contractual services, transport, logistics and electronic support for the Base. The Secretary-General proposed that the expenditures for the period be prorated among the individual active peacekeeping operation budgets rather than appropriated separately.

2. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 14 of its report of 12 May 1998 (A/52/897), recommended that the General Assembly approve the budget for the Logistics Base. The Committee also recommended that, after applying the unencumbered balance of $2,025,800 for the period from 1 July 1996 to 30 June 1997, the resulting balance of $5,116,000 be prorated among the individual active peacekeeping budgets to meet the financing requirements of the Logistics Base for the period from 1 July 1998 to 30 June 1999.

3. By its resolution 52/1 B of 26 June 1998, the General Assembly approved cost estimates in the amount of $7,141,800 for the period from 1 July 1998 to 30 June 1999, including $829,900 for the completion of two start-up kits. The Assembly also decided to apply the unencumbered balance of $2,025,800 for the period from 1 July 1996 to 30 June 1997 to the resources required for the period from 1 July 1998 to 30 June 1999 and to prorate the balance of $5,116,000 among the approved appropriations of the individual active peacekeeping operation budgets to meet the financing requirements of the Base for the period from 1 July 1998 to 30 June 1999. A breakdown of these resources is shown in table 1.

Table 1
Amounts provided by peacekeeping operations
(United States dollars)

Peacekeeping mission	*Amount*
United Nations Civilian Police Support Group	61 400
United Nations Peacekeeping Force in Cyprus	363 200
United Nations Disengagement Observer Force	281 400
United Nations Civilian Police Mission in Haiti	143 200
United Nations Iraq-Kuwait Observation Mission	419 500
United Nations Mission for the Referendum in Western Sahara	184 200
United Nations Observer Mission in Georgia	158 600
United Nations Mission of Observers in Tajikistan	66 500
United Nations Observer Mission in Angola	368 400

Peacekeeping mission	*Amount*
United Nations Preventive Deployment Force	168 800
United Nations Mission in Bosnia and Herzegovina	1 519 500
United Nations Interim Force in Lebanon	1 146 000
United Nations Mission in the Central African Republic	235 300
Total	**5 116 000**

II. Implementation of the budget

4. As indicated above, the budget provided for 20 international civilian staff, 28 local staff and 660 person-months under general temporary assistance. During the financial period there was an average monthly vacancy rate of 7 per cent among the international staff attributable to delays in the recruitment of replacement staff. Several staff of the Logistics Base were assigned to various missions, including newly established missions being started up in East Timor and Kosovo, to provide administrative and technical support as well as training in various database applications. These assignments utilized 19 person-months of the international staff complement.

5. The budget provided an amount of $829,900 for the purchase of vehicles and supplies for the completion of two start-up kits. Expenditures totalled $594,900, because the vehicles were obtained at a lower unit cost than anticipated. The Logistics Base maintained the two start-up kits in a state of readiness for deployment on short notice, and consequently was able to respond in a timely manner to the requirements of the United Nations Mission in East Timor (UNAMET) and the United Nations Interim Administration Mission in Kosovo (UNMIK).

6. Through its global network, the satellite communications relay system currently supports operations at United Nations Headquarters, the offices at Geneva and Nairobi and 21 field offices, as well as the Food and Agriculture Organization of the United Nations and the World Food Programme in Rome. It was enhanced and updated to provide end-users at both existing and new missions with greater data- and information-sharing capability, including Internet access. The improvements also facilitated the implementation of the field assets control system and will make it possible to continue development of the field mission logistics system. The major enhancements included installation of a 9.3-metre satellite Earth station to increase traffic capacity and the installation and commissioning of two network control systems for demand-assigned multiple access, which will allow efficient frequency assignment on the satellite transponder.

7. During the period under review, the Logistics Base, in cooperation with the Field Administration and Logistics Division, organized and hosted 11 training courses involving 190 participants from 21 missions, agencies and offices. The courses covered communication and networking technologies, procurement, personnel, finance and supervisory skills.

8. In addition to the above, the Logistics Base executed several procurement actions in connection with urgent requirements for missions and provided start-up logistical support to the UNMIK aircraft that used the Logistics Base as its base of operations.

9. The repair, refurbishment and preservation of various types of equipment has continued to be a vital function of the Logistics Base. Among the communication equipment refurbished and tested during the period were three rapidly deployable telecommunication

shelters, which were subsequently deployed to UNAMET and UNMIK. Of 214 vehicles, trailers and specialized transport and engineering equipment items received during the financial year, a total of 186 units were refurbished and shipped out. The refurbishment of generators is being done in-house with the use of individual contractors, as this has been deemed more cost-effective. Prior contractual arrangements have been terminated because of unsatisfactory performance.

10. By paragraph 9 of its resolution 52/1 B, the General Assembly approved the resourcing policy whereby provision is included in liquidation budgets for the cost of repair, refurbishment and preservation of equipment equal to 30 per cent of the total depreciated value of the equipment to be transferred to the Logistics Base. In accordance with this policy, a total amount of $3,340,247 was provided from the budgets of three liquidating missions: the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES)/Civilian Police Support Group, the United Nations Mission in Angola (MONUA) and the United Nations Preventive Deployment Force (UNPREDEP).

11. During the reporting period, the Logistics Base received for storage pending future re-use surplus serviceable material from the three liquidated missions listed above. The inventory value of equipment transferred to the Base from these missions amounted to some $26.7 million. In addition, equipment valued at $6.6 million was transferred from other peacekeeping operations. Equipment valued at $23.7 million, comprising non-expendable property ($20.1 million) and expendable property ($3.6 million), was transferred from the Base. The outgoing shipments consisted of expendables ($3.4 million) and assets ($19.2 million) in support of peacekeeping operations; expendables ($149,980) and assets ($833,764) in support of United Nations specialized agencies and other non-Secretariat entities; and expendables ($3,141) and assets ($188,233) in support of the Field Administration and Logistics Division of the Department of Peacekeeping Operations. In addition, the Logistics Base facilitated the trans-shipment of equipment valued at $4.5 million during the same period. Equipment valued at $3.5 million was trans-shipped in support of peacekeeping operations, while equipment valued at $1 million was trans-shipped in support of the United Nations specialized agencies and other non-Secretariat entities. In total, 6,160 tons of cargo were handled by the Logistics Base during the period.

III. Financial performance report for the period from 1 July 1998 to 30 June 1999

12. As indicated in table 2, from the apportionment of $7,141,800 for the financing of the Logistics Base for the period from 1 July 1998 to 30 June 1999, expenditures amounted to $6,690,000, including $1,282,500 in unliquidated obligations. The resulting unencumbered balance represents approximately 6.3 per cent of the amount apportioned. Annex I to the present report contains a summary of the financial performance information for the period. Interest income for the reporting period amounted to $114,000, and miscellaneous income amounted to $1,166,000.

Table 2
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Civilian personnel	3 967.2	3 830.2	137.0
Operational requirements	3 124.6	2 824.5	300.1
Other programmes[b]	50.0	35.3	14.7
Gross requirements	**7 141.8**	**6 690.0**	**451.8**
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	-	7.5	N/A
Total resources	**7 141.8**	**6 697.5**	**N/A**

[a] Includes an amount of $1,282,500 in unliquidated obligations.

[b] Excludes personnel.

13. Information on the deployment of civilian personnel during the reporting period is given in table 3 and annex III.

Table 3
Authorized staffing, incumbency and vacancy rates for the period from 1 July 1998 to 30 June 1999

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
International staff	20	19	7
Local staff	28	28	-

IV. Action to be taken by the General Assembly at its fifty-fourth session

14. **The action to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base is a decision to apply the unencumbered balance of $451,800, interest income of $114,000 and miscellaneous income of $1,166,000 ($1,731,800 in total) to the resources required for the period from 1 July 2000 to 30 June 2001.**

Annex I

Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement

(Thousands of United States dollars)

Category of expenditure	*(1)* *Apportionment*[a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1-3)* *Variance*
I. Civilian personnel				
International and local staff	3 967.2	37.4	3 830.2	137.0
Total, category I	**3 967.2**	**37.4**	**3 830.2**	**137.0**
II. Operational requirements				
1. Premises/accommodation	476.0	102.6	442.2	33.8
2. Transport operations	1 063.6	534.0	776.9	286.7
3. Communications	320.7	61.5	293.5	27.2
4. Other equipment	353.0	86.0	442.7	(89.7)
5. Supplies and services	871.3	2.0	831.2	40.1
6. Air and surface freight	40.0	-	38.0	2.0
Total, category II	**3 124.6**	**786.1**	**2 824.5**	**300.1**
III. Other programmes				
Training programmes	50.0	-	35.3	14.7
Total, category III	**50.0**	**-**	**35.3**	**14.7**
Gross requirements, categories I-III	7 141.8	823.5	6 690.0	451.8
IV. Voluntary contributions in kind (budgeted)	-	-	-	-
V. Voluntary contributions in kind (non-budgeted)	-	7.5	7.5	N/A
Total	**7 141.8**	**831.0**	**6 697.5**	N/A

[a] Based on financing arrangements set out in paragraph 7 of the General Assembly resolution 52/1 B.

Annex II

Supplementary information on significant variances

Civilian personnel

Apportionment: $3,967,200; expenditure: $3,830,200; variance: $137,000

1. The unutilized balance of $137,000 was due mainly to an average vacancy rate of 7 per cent among the international staff owing to delays in the recruitment of replacement staff. Some of those savings were offset by additional requirements for local staff arising from higher actual average net salaries than budgeted and a 28.8 per cent salary increase. Additional requirements also arose for the hiring of two consulting engineers and additional travel by a team from the Field Administration and Logistics Division to install and certify the implementation of the document imaging system of the field mission logistics system.

Operational requirements

Apportionment: $3,124,600; expenditure: $2,824,500; variance: $300,100

2. The unutilized balance of $300,100 is due to lower actual requirements under premises/accommodation ($33,800), transport operations ($286,700), communications ($27,200), supplies and services ($40,100) and freight ($2,000), offset by additional requirements under other equipment ($89,700).

Transport operations

Apportionment: $1,063,600; expenditure: $776,900; variance: $286,700

3. The unutilized balance under this heading is due primarily to lower actual unit costs than budgeted for the vehicles purchased for the start-up kits and to availability of fuel at $0.23 per litre instead of $0.35 per litre as budgeted. Of the amount of $759,000 provided for vehicles, the actual expenditure totalled $525,700.

Other equipment

Apportionment: $353,000; expenditure: $442,700; variance: ($89,700)

4. Additional requirements arose for office furniture, material-handling equipment and additional generator spare parts for in-house maintenance. The original estimate anticipated maintenance of generators under contractual arrangements. However, the contract was not renewed because of unsatisfactory performance.

Other programmes

Apportionment: $50,000; expenditure: $35,300; variance: $14,700

5. The provision under this heading was for training. The unutilized balance of $14,700 was realized because Logistics Base staff participated at no cost in several in-house training courses.

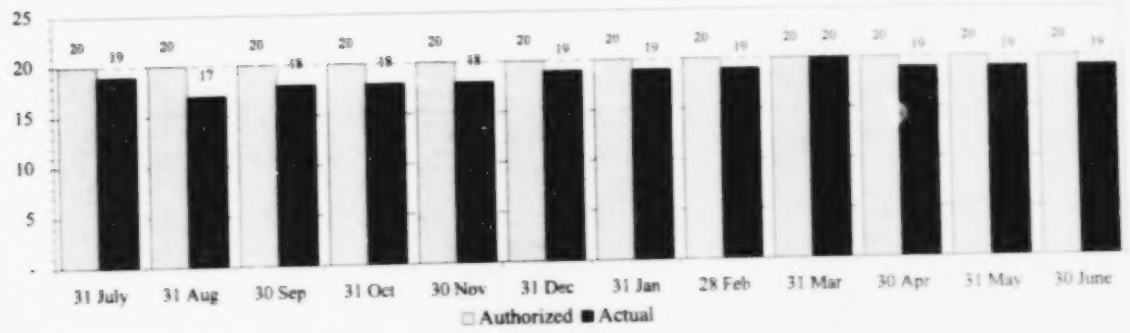
Voluntary contributions in kind (non-budgeted)

6. The amount of $7,500 represents the amount applicable for 1.5 months of the reporting period during which the services of two specialist military personnel were provided by the host Government to assist in the reconciliation of military spare parts inventory.

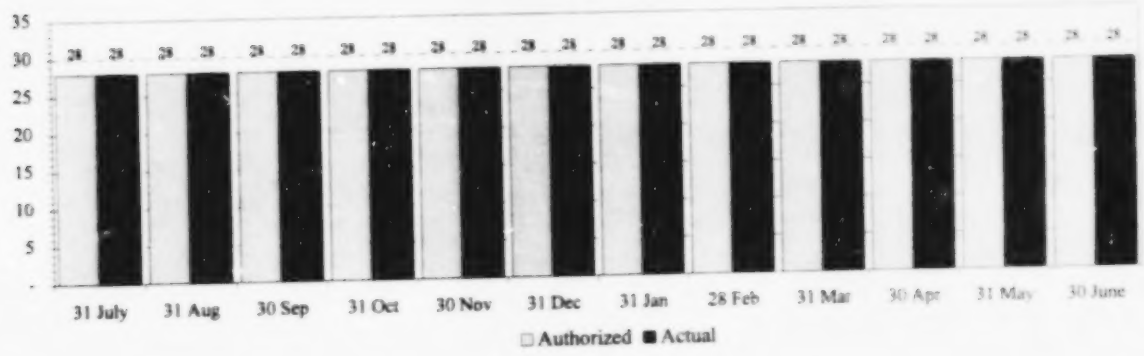
Annex III

Planned and actual deployment of personnel for the period from 1 July 1998 to 30 June 1999

1. International staff



2. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999